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COUNTERPART NO. 5
5 COUNTERPARTS..

INTERSTATE COMMERCE COMMISSION

THIS TEMPORARY RAILROAD EQUIPMENT LEASE dated as of January 15, 1972, by and between GENERAL ELECTRIC COMPANY, a corporation of the State of New York (hereinafter sometimes called the "Lessor"), and SEABOARD COAST LINE RAILROAD COMPANY, a corporation of the State of Virginia (hereinafter sometimes called "Lessee").

WITNESSETH:

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WHEREAS, the Lessor is constructing or will construct at its manufacturing plant at Erie, Pennsylvania, twenty-one (21) U-36-B 3600 H. P. replacement diesel-electric locomotives with Mate controls (hereinafter referred to collectively as the "Locomotives" and individually as a "Locomotive" or a "Unit"), bearing the Lessee's Road Numbers SCL 1835 to 1855, both inclusive, pursuant to the Lessee's order number E-57 dated April 26, 1971 and the Lessor's quotation number T25-16023 dated December 13, 1971, and any modifications thereto as agreed upon between the Lessor and the Lessee (hereinafter called the "Purchase Agreement") for acquisition by the Lessee pursuant to a Conditional Sale Agreement, Equipment Trust Agreement or other equipment financing agreement to be arranged by the Lessee; and

WHEREAS, some or all of the Locomotives will be constructed and ready for service prior to the time funds will be available for the financing of said Locomotives, and the purchase thereof pursuant to said financing arrangement; and

WHEREAS, Lessor and Lessee are desirous of entering into a temporary lease pending availability of funds for the purchase of the Locomotives as set forth above, pursuant to the terms and conditions hereinafter set forth and in reliance upon the representations made by the Lessee herein;

NOW, THEREFORE, in consideration of the mutual promises, covenants and agreements hereinafter set forth, the parties hereto do hereby agree as follows:

1. Lease and Rental. The Lessor hereby leases to the Lessee and the Lessee hereby hires from the Lessor each of the said Locomotives for use upon the lines of railroad owned or operated by Lessee or over which Lessee has trackage rights; provided, however, that the Locomotives shall not be used outside the forty-eight (48) contiguous states of the United States of America without the written consent of Lessor. Said lease and use are upon the terms and subject to the conditions hereinafter set forth, such lease to be effective as to each Locomotive for a period beginning with the delivery of each such Locomotive to Lessee pursuant to Article 2 hereof, and ending as to all Locomotives (a) on such date as General Electric shall receive the full purchase price for Locomotives pursuant to an assignment of its interest in a Conditional

Sale Agreement, Equipment Trust Agreement or other equipment financing agreement covering such Locomotives, or (b) if General Electric has not for any reason received payment in full for said Locomotives on or before March 1, 1972, pursuant to (a), then upon purchase of the Locomotives by the Lessee or an assignee of the Lessee on or before March 1, 1972, pursuant to Article 14 hereof, but (c) ending in any event not later than March 1, 1972. Such termination of leasing under this lease may be confirmed by an appropriate instrument executed by Lessor and/or Lessee.

For the use of each Locomotive, the Lessee agrees to pay to Lessor upon bill rendered by Lessor, a daily rental computed on the basis of a 360-day year at the rate 5% on the final purchase price of each Locomotive. Rental for each Locomotive shall commence on the day of acceptance by Lessee of such Locomotive under the terms of this lease. All rental due on the Locomotives shall be paid upon termination of the lease. Lessee agrees to pay, in addition to the rent, and as additional rental, all costs, charges, taxes (as provided in Article 6 hereof), fees and other expenses borne or incurred by Lessor or to which it may be subjected by reason of, or in connection with, this lease.

2. Delivery. (a) The Lessor will deliver the Locomotives to the Lessee at a point of acceptance to be designated in writing by Lessee, and Lessee shall accept possession of such Locomotives at that point. Lessor will commence delivery of the Locomotives as soon after execution of the lease as possible. Lessor shall arrange for shipping the Locomotives with freight charges prepaid in accordance with routing instructions from the Lessee. Freight prepaid by Lessor will be added to the final purchase price of the Locomotives.

(b) In the event of any mutually agreed upon change in the specifications of any Unit or Units which affect the time required to manufacture such Unit or Units, the parties shall mutually agree upon new delivery dates for such Unit or Units.

(c) The Lessor shall not be liable for delays in delivery for failure to manufacture or deliver Units due to (1) causes beyond its reasonable control, or (2) to acts of God, acts of Lessee, acts of civil or military authority, priorities, fires, strikes, floods, epidemics, war, riots, or delays in transportation, or (3) inability due to causes beyond its reasonable control to obtain necessary labor, materials, components or manufacturing facilities. In the event of any such delay, the date of delivery shall be extended for a period equal to the time lost by reason of the delay.

(d) On delivery of each Locomotive by the Lessor, the Lessee will assume the responsibility and risk of loss with respect to such Locomotive so delivered.

(e) The Locomotives shall be tendered by Lessor to Lessee at the appropriate point of delivery hereinbefore specified and a representative of

Lessee shall inspect the Locomotives. If each such Locomotive is in good order and condition and conforms to the specifications and to all applicable Interstate Commerce Commission and Department of Transportation requirements and all standards recommended by the Association of American Railroads, such representative of Lessee shall execute a certificate of acceptance (hereinafter called the "Certificate of Acceptance") in the form attached hereto. Such Certificate of Acceptance shall constitute conclusive evidence that each Locomotive has been delivered to and accepted by the Lessee under this lease; provided, however, that the Lessor shall not be relieved of its obligation set forth in Article 7 hereof. The Certificate of Acceptance shall be delivered to the Lessor at the time of the delivery of each Locomotive to the Lessee. The Lessee shall promptly after the execution of this agreement deliver to the Lessor a certificate stating the persons authorized to execute and deliver on behalf of the Lessee Certificates of Acceptance under this agreement.

3. Title to the Equipment. At all times during the continuance of this lease, no title to the Locomotives, or any of them, shall be vested in Lessee, and delivery of possession of the Locomotives, or any of them, to Lessee, and Lessee's possession of the Locomotives, or any of them, shall constitute a lending or bailment.

The Lessee will, throughout the term of this lease, cause the Locomotives to be kept numbered with their identifying numbers, as hereinabove specified. The Lessee will not change the number of any of the Locomotives without first notifying the Lessor in writing. In any such case, the new number shall be set forth in a supplemental lease or in an amendment to this lease which the Lessor and Lessee shall execute, and the Lessee shall file or record such supplemental lease or amendment in each jurisdiction wherein this lease is recorded or filed in accordance with Article 13 hereof.

4. Responsibility for Locomotives. The Lessee agrees that, during the continuance of this lease and any extension thereof, it will, at its own cost and expense, maintain and keep all of the Locomotives in good order and repair, applying thereto the same standards and procedures, and to the same proportionate degree, for maintenance, repair, replacement of parts and rebuilding, as the Lessee normally applies in respect to locomotives of comparable type, age and usage that are owned or otherwise leased by Lessee, it being understood that any replacement components, and parts thereof, shall be in accordance with Lessor's specifications therefor. The Lessor shall at all times have the right to inspect the Locomotives, but shall be under no obligation to inspect them, and the Lessee's obligation to keep all the Locomotives in good repair shall not be affected in any manner by the failure of Lessor to inspect the Locomotives. Except for alterations or changes required by law or regulatory authorities, the Lessee shall not effect any change in the design, construction or specifications of the Locomotives, body or electrical equipment, or components thereof, without the prior authority and approval of the Lessor.

5. Loss or Destruction. In the event of loss or destruction of or irreparable damage to any of the Locomotives from any cause whatsoever during the term of this lease, the Lessee shall promptly and fully inform the Lessor in regard to such loss, destruction or damage, and the Lessee shall pay promptly to the Lessor a sum equal to the purchase price of each Locomotive so lost, destroyed or irreparably damaged, as set forth in Article 14 hereof, which represents the agreed value for each Locomotive so lost, destroyed or damaged, together with the accrued rental for such Locomotive, as provided in Article 1 hereof, whereupon this lease shall terminate as to such Locomotive and Lessor shall not thereafter have any interest in any material salvageable from such Locomotive.

6. Taxes and Liens. (a) The Lessee agrees that, during the continuance of this lease, it will promptly pay, as additional rentals, all taxes, assessments and other governmental charges levied or assessed against the Lessor, any assignee, or any subsequent assignee, as the case may be, on account of its ownership of the Locomotives or on account of the use or operation thereof, or on account of the earnings arising therefrom (exclusive, however, of any tax in the nature of an income tax on the rentals herein provided), including any sales or similar taxes payable on account of the leasing of the Locomotives hereunder; but the Lessee shall not be required to pay the same so long as it shall in good faith and by appropriate legal or administrative proceedings contest the validity or amount thereof, unless thereby, in the judgment of the Lessor, the rights or interests of the Lessor will be materially endangered. In the event any tax reports are required to be made on the basis of the individual Units, the Lessee will either make such reports in such manner as to show the ownership of such Units by the Lessor or will notify the Lessor of such requirement and will make such report in such manner as shall be satisfactory to the Lessor.

(b) The Lessee will pay and discharge, or cause to be paid and discharged, or make adequate provision for the satisfaction or discharge of, any debt, tax, charge, assessment, obligation or claim against the Lessee which, if unpaid, might become a lien or charge upon or against the title of the Lessor to any of the Units or which might have the effect of altering in any way the rights of the Lessor in such Units under this lease; but the Lessee shall not be required to pay or discharge any such debt, tax, charge, assessment, or obligation or claim so long as the validity or amount thereof shall be contested in good faith and by appropriate legal or administrative proceedings, unless such contest will, in the judgment of the Lessor, materially endanger the rights or interests of the Lessor.

7. Representations and Responsibility of Lessor. (a) The Lessor represents that the Locomotives to be delivered hereunder will be free from defects in material, workmanship and title under normal use and service, and will be of the kind and quality described in this lease. The foregoing representation is exclusive and in lieu of all other representations, whether written,

statutory, oral or implied (including any representation of merchantability or fitness for purpose). If it appears within two (2) years after delivery of a Locomotive hereunder, or within 250,000 miles of operation of such Locomotive, whichever shall first occur, that the Locomotive delivered hereunder does not meet the representations specified above, and the Lessee notifies the Lessor promptly, the Lessor, after verification as to the condition and usage, shall correct any defects, including nonconformance with the Lessor's specifications, at its option, either by repairing any defective part or parts made available to the Lessor, or by making available at the Lessor's plant at Erie, Pennsylvania, or warehouse, a repaired or replacement part. If requested by the Lessor, the Lessee will ship the defective part or parts, with shipping charges prepaid, to the Lessor's plant at Erie, Pennsylvania, or to the warehouse designated by the Lessor.

(b) The Lessor's responsibility shall not extend to any defect or defects which in its judgment reasonably exercised are caused in whole or in part by failure to comply with its operating and maintenance recommendations, by reason of improper storage or application, by misuse, negligence, accident or improper maintenance, or by repairs or alterations not authorized or approved by the Lessor. The Lessor does not guarantee materials or parts furnished by the Lessee or specified by the Lessee unless such specifications are agreed to by the Lessor. The Lessor's liability hereunder (except as to title) arising out of the supplying of the Locomotives under this lease, (or under a subsequent sale of such Locomotives) or their use, whether on representations, contract or negligence, shall not in any case exceed the cost of correcting defects in the Locomotives, as herein provided. The Lessor's liability shall in no case include transportation charges, the Lessee's labor or materials (except as authorized in writing by the Lessor in advance), loss of use or revenue, or any special or consequential damages.

(c) If the Lessor is required to correct any defects or replace any defective parts in accordance with this Article, it is understood that this shall not in any way affect or abate Lessee's obligation to pay rent or incur other expense as provided in this agreement.

8. Compliance with Laws and Rules. The Lessee agrees to comply in all respects with all laws of the jurisdictions in which its operations involving the Locomotives may extend and with all lawful rules of the Interstate Commerce Commission and Department of Transportation and any other legislative, executive, administrative or judicial body exercising any power or jurisdiction over the Locomotives, to the extent that such laws and rules affect the operation or use of the Locomotives. In the event such laws or rules require the alteration of Locomotives, the Lessee will conform therewith, at its expense, and will maintain the same in proper condition for operation under such laws and rules; provided, however, that the Lessee may, in good faith, contest the validity and application of any such law or rule in any reasonable manner which does not, in the opinion of the Lessor, adversely affect the property or right of

the Lessor as owner hereunder.

9. Lessee's Indemnities and Guarantees. The Lessee will save, indemnify and keep harmless the Lessor from and against all losses, damages, injuries, claims and demands whatsoever, regardless of the cause thereof, arising on account of the Locomotives or the use or operation thereof during the term of this agreement; provided, however, that the foregoing shall not apply in the event of injury to, or the death of any officer or employee of Lessor while such officer or employee is performing inspection or other work in connection with the Locomotives, whether due in whole or in part to the negligence of Lessee, and in any such event Lessor shall indemnify and hold Lessee harmless from any liability or expense in respect of any claim arising out of injury to, or death of, any such officer or employee of Lessor. This covenant of indemnity shall continue in full force and effect notwithstanding the purchase of the Locomotives by the Lessee as provided in Article 14 hereof, or the termination of this lease in any manner whatsoever.

The Lessee will bear the risk, and shall not be released from its obligations hereunder, in the event of any damage to, or the destruction or loss of the Locomotives; provided, however, that the Lessor and any successor or successors to its manufacturing property and business shall not as to the Locomotives, be relieved from its responsibilities and obligations under Articles 7, 10 and 24(a) hereof.

10. Responsibility for Patent Infringement. (a) Except in cases of designs, articles and materials specified by the Lessee and not manufactured by the Lessor or manufactured by the Lessor to Lessee's design, the Lessor shall defend any suit or proceeding brought against the Lessee so far as based on a claim that any Locomotive or any part thereof, furnished under this lease constitutes an infringement of any patent of the United States, if notified promptly in writing and given authority, information and assistance (at the Lessor's expense) for the defense of same, and the Lessor shall pay all damages and costs awarded therein against the Lessee. In case any such Locomotive, or any part thereof, in such suit is held to constitute infringement and the use of such Locomotive or part is enjoined, the Lessor shall, at its own expense, and at its option, either procure for the Lessee the right to continue using such Locomotive or part; or replace same with noninfringing items; or modify it so that it becomes noninfringing; or take possession of said Locomotives and cancel the lease with respect to same, in which event Lessee will have no obligation to purchase such Locomotives pursuant to Article 14 hereof, and also with respect to any other Units which may similarly constitute infringement, effective as of the date on which the Locomotive or part is held to constitute infringement in such suit, the Lessor to pay the reasonable cost of returning such Locomotive or Units to Lessor. The foregoing states the entire liability of the Lessor for patent infringement by such Locomotives, or any part thereof.

(b) With respect to any designs, articles or materials specified by

the Lessee, and not manufactured by the Lessor, or manufactured by the Lessor to Lessee's designs, the Lessee shall defend any suit or proceeding brought against the Lessor so far as based on a claim that any such designs, articles or materials, or any part thereof, furnished under this lease constitutes an infringement of any patent of the United States, if notified promptly in writing and given authority, information and assistance (at the Lessee's expense) for the defense of same, and the Lessee shall pay all damages and costs awarded therein against the Lessor. In case said designs, articles or materials, or any part thereof, are held to constitute infringement, and the use thereof is enjoined, the Lessee shall, in respect of the Locomotives, at its own expense, procure for the Lessor, the right to continue using or manufacturing said designs, articles and materials, or shall permit Lessor, at Lessee's expense, to modify such designs, articles and materials so as to become noninfringing.

(c) It is understood that, notwithstanding any suits or proceedings which may be brought against Lessor or Lessee based on a claim that any Locomotive, or any part thereof, furnished under this lease, constitutes an infringement of any patent of the United States, Lessee's obligation to pay rent with respect to such Unit shall continue for the term of this lease.

11. Assignments by the Lessor. All or any of the rights, benefits and advantages of the Lessor under this agreement, including the right to the rent or to any other payments under this lease, and title to the Locomotives, may be assigned by the Lessor and reassigned by any assignee at any time and from time to time, provided, however, that no such assignment shall subject any assignee to or relieve the Lessor or the successor or successors to its manufacturing property and business from any of the obligations of the Lessor to construct and deliver the Locomotives in accordance with the specifications or to respond to its responsibilities and obligations contained in Articles 7 and 10 hereof, or relieve the Lessee of its obligations to the Lessor under Articles 6, 9 and 10 hereof, or any other obligations which, according to its terms and context, is intended to survive an assignment.

Upon any such assignment, either the assignor or the assignee shall give written notice to the Lessee, together with a counterpart or copy of such assignment, stating the identity and post office address of the assignee, and such assignee shall by virtue of such assignment acquire all of the Lessor's right, title and interest in and to the rights, benefits and advantages of the Lessor thereby assigned, subject only to such reservations as may be contained in such assignment. From and after the receipt by the Lessee of the notification of any such assignment, all payments thereafter to be made by the Lessee hereunder shall, to the extent so assigned, be made to the assignee.

In the event of any assignment by the Lessor of its rights to receive any payments under this lease, the rights of such assignee to such payments as may be assigned, together with any other rights hereunder which can be and

are so assigned, shall not be subject to any defense, set off, counterclaim or recoupment whatsoever arising out of any breach of any obligation of the Lessor in respect of the Locomotives or the manufacture, construction, delivery, guarantee or warranty thereof, or in respect of any indemnity contained in this lease, not subject to any defense, set off, counterclaim, or recoupment whatsoever arising by reason of any other indebtedness or liability at any time owing to the Lessee by the Lessor. Any and all such obligations, howsoever arising, shall be and remain enforceable by the Lessee, its successors or assigns, against the Lessor, its successors and assigns (other than assignees, as such, of rights, benefits and advantages assigned pursuant to this lease). The provisions of this paragraph may be relied upon by any such assignee as a continuing offer by the Lessee to waive any remedies which it might otherwise possess for the enforcement of any and all such obligations of the Lessor against such assignee, which offer shall be conclusively presumed for all purposes to be accepted by the assignee by payment to the Lessor of the consideration for the assignment of any of the Lessor's rights under this lease.

12. Assignments by the Lessee. The Lessee will not sell, assign, transfer or otherwise dispose of its rights under this agreement nor transfer possession of the Locomotives to any other firm, person or corporation (except as herein otherwise provided) without first obtaining the written consent of the Lessor to such sale, assignment or transfer.

13. Recording. Prior to delivery of the first Locomotive hereunder, Lessee, at its own expense and without expense to Lessor, will cause this lease and any supplements hereto and any assignment and reassignment hereof to be filed with the Interstate Commerce Commission for recordation under Section 20c of the Interstate Commerce Act. Lessee will deliver to Lessor one copy of certificates or other evidence satisfactory to counsel for Lessor of such filing and of the payment of filing fees and taxes, if any, in connection therewith. In addition, Lessee shall do such other acts as may be required by Federal or State law, or reasonably requested by Lessor, for the proper protection of Lessor's title and interest in the Locomotives.

14. Agreement of the Lessee to Purchase. In the event that payment to Lessor for all Locomotives has not been made prior to March 1, 1972, pursuant to Article 1(a) of this agreement, and this lease is thereby terminated as to all Locomotives, the Lessee will immediately purchase or provide a purchaser at the final purchase price of each Locomotive, for all such Locomotives delivered hereunder on or before March 1, 1972, for which payment has not been theretofore made to Lessor. The Lessee's obligation to purchase such Locomotives shall be absolute, regardless of the condition of such Locomotives at such time. Title to the Locomotives shall vest in the purchaser thereof upon receipt by Lessor of payment in full therefor in cash, and delivery shall be deemed to be effected at such points as the Locomotives shall be at such time.

It is also understood that the final purchase price does not include sales, use, excise, or similar taxes. Consequently, in addition to the final purchase price, the amount of any Federal or State sales, use, excise, or other similar taxes applicable to the sale or use of the Locomotives shall be paid by the purchaser, or in lieu thereof, the purchaser shall provide the seller with a Tax Exemption Certificate acceptable to the tax authorities.

The terms of sale shall be consistent with the provision of Articles 7, 8, 9, 10 and 24(a) hereof.

15. Default. In the event of any failure at any time on the part of the Lessee to comply with any of the terms and conditions contained in Articles 1 through 13 hereof, the Lessee, at the election of the Lessor, which election shall be evidenced by notice thereof in writing given by the Lessor to the Lessee, shall be obligated to purchase and pay for all of the Locomotives subject to this agreement within five (5) days after the receipt of such notice (unless within such five-day period such default shall have been cured) in accordance with all the terms and conditions contained in this agreement with respect to purchase of the Locomotives other than the date for purchase set forth in Article 14 hereof.

In the event of any default by the Lessee in respect of any of its obligations under the terms of this agreement, the term of this lease shall immediately cease and terminate and the Lessor may, without any notice or demand take or cause to be taken immediate possession of the Locomotives, and, in such event, all of the Lessee's rights in the Locomotives will thereupon terminate; provided, however, that such retaking shall not be deemed a waiver of the Lessor's right to receive the full purchase price of the Locomotives or of any other rights or remedies conferred upon the Lessor by this agreement or by law, and provided, further, that in the event of such retaking and thereafter of the payment by Lessee of the purchase price; together with a sum equivalent to the costs and expenses, including attorneys' fees, incurred by the Lessor in such retaking, and the making good of all defaults hereunder, the Lessor at the time of such payment shall deliver the Locomotives to the Lessee in the condition they were in when retaken and by appropriate instrument or instruments transfer to the Lessee title to and property in the Locomotives free and clear of all liens and encumbrances. In the event that the payment of the full purchase price is not made by the Lessee to the Lessor within ten days after the date when payment is due, the Lessor, at its option, may within a reasonable time thereafter, sell the Locomotives, in which event the Lessee's rights in the Locomotives shall cease and terminate and its obligation to pay to the Lessor the full amount of the purchase price, plus a sum equivalent to the costs and expenses incurred by the Lessor in retaking the Locomotives, shall be reduced by an amount equal to the net proceeds of sale of the Locomotives.

16. Payments by Lessee. The payments provided for in this agreement shall be made by the Lessee in such coin or currency of the United States of America as at the time of payment is legal tender for the payment of public or private debts.

17. Survival of Guarantees, Representations and Indemnities. The representations and indemnities provided for in Articles 7, 8, 9, 10 and 24(a) hereof (except as may be otherwise specified therein) as to any matter arising prior to the termination of this lease shall survive the termination of the lease hereunder for any reason and the full payment of the purchase price by the Lessee.

18. Extension Not a Waiver. Any extension of time granted by the Lessor to the Lessee for the payment of any sum due under this agreement, or for the performance of any other obligation hereunder, shall not be deemed a waiver of any of the rights and remedies of the Lessor hereunder or otherwise existing.

19. Notice. Any notice hereunder to the Lessee shall be deemed to be properly served if delivered or mailed to the Lessee at P. O. Box 27581, Richmond, Virginia 23261, or at such other address as may have been furnished in writing to the Lessor by the Lessee. Any notice to General Electric Company shall be deemed to be properly served if delivered or mailed to General Electric Company at 2901 East Lake Road, Erie, Pennsylvania 16501, or at such other address as may have been furnished in writing to the Lessee by General Electric Company. Any notice hereunder to any assignee of General Electric Company or of the Lessee shall be deemed to be properly served if delivered or mailed to such assignee at such address as may have been furnished in writing to the Lessor or the Lessee, as the case may be, by such assignee.

20. Execution of Counterparts. This agreement may be simultaneously executed in several counterparts, each of which so executed shall be deemed to be an original, and such counterparts together will constitute but one and the same agreement, which will be sufficiently evidenced by any such original counterpart.

21. Article Headings. All article headings are inserted for convenience only and will not affect any construction or interpretation of this agreement.

22. Modification of Agreement. No variation or modification of this Lease of Railroad Equipment and no waiver of any of its provisions or conditions will be valid unless in writing and signed by the duly authorized officials of the Lessor and the Lessee.

23. Pennsylvania Law. Except insofar as Federal law may be applicable, the terms and conditions of this lease and any subsequent sale and all rights and obligations thereunder shall be governed by the laws of the State of Pennsylvania.

24. Representations and Warranties. (a) The Lessor represents and warrants that it will be the true and lawful owner of each Locomotive when

delivered to the Lessee in accordance with Article 2 hereof and that at the time of such deliveries to Lessee each Locomotive will be free and clear of all liens and encumbrances of any nature whatsoever, it being understood that this provision shall not restrict the right of Lessor to assign title to the Locomotives, as provided in Article 11.

(b) The Lessee represents and warrants that:

- (i) The Lessee is a duly organized and validly existing corporation in good standing under the laws of the State of Virginia; is qualified to do business in such jurisdictions as are necessary to carry out the transactions contemplated by this lease; and has power and authority to own its properties and carry on its business as now conducted;
- (ii) The execution and delivery of this lease is within its corporate authority, has been authorized by proper corporate proceedings and will not contravene any provision of law or of its charter, by-laws or any agreement or other instrument binding upon it, and the lease is a valid and binding obligation of the Lessee enforceable against the Lessee in accordance with its terms subject to any applicable bankruptcy or insolvency laws;
- (iii) No governmental authorizations are required for the execution and delivery of this lease or for the validity and enforceability thereof or the leasing of the Locomotives hereunder for the rentals and of the other terms and conditions provided for herein; or, if any such authorizations are required, they have been obtained;
- (iv) No litigation or administrative proceedings are pending, or to the knowledge of the Lessee threatened, against the Lessee, the adverse determination of which would affect the validity of this lease or the rights of the Lessor hereunder; and
- (v) The rights of Lessor are as set forth herein and the title of the Lessor to the Locomotives are senior to the lien of any mortgage, security agreement or other instrument binding upon Lessee.

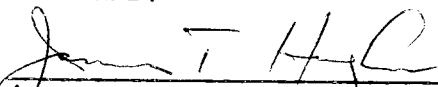
25. Opinions of Counsel. Prior to the delivery of the first Locomotive hereunder, the Lessee will deliver to the Lessor an opinion of counsel

for Lessee in form and substance satisfactory to counsel for Lessor, to the effect that (i) the Lessee is a duly organized and validly existing corporation in good standing under the laws of the State of Virginia; is qualified to do business in such jurisdictions as are necessary to carry out the transactions contemplated by this lease; and has the power and authority to own its properties and carry on its business as now conducted; (ii) the rights of Lessor as herein set forth and the title of Lessor to the Locomotives under this lease are and will be senior to the lien of any mortgage, security agreement, or other instrument binding upon Lessee; (iii) this Lease has been duly authorized, executed and delivered by the Lessee, has been filed and recorded in such Federal public offices, and such State public offices, within the United States of America, if any, as may be necessary for the full protection of the rights of the Lessor and assignees of the Lessor, and is valid, binding and legally enforceable against the Lessee in accordance with its terms, subject to any applicable bankruptcy or insolvency laws, and (iv) no approval of the Interstate Commerce Commission or any other governmental authority is necessary for the execution and delivery of this lease; or if any such authority is necessary, that it has been obtained.

26. Entire Agreement. This instrument and the aforesaid purchase agreement contain the entire and only agreements between the parties relating to the subject matter hereof, there being merged herein all prior and collateral representations, promises and conditions in connection with said subject matter. Except as specifically provided for under the terms of this lease, no modifications, extension, waiver, renewal or termination of this lease, or any of the provisions thereof, shall be binding on either party hereto unless made in writing on its behalf by the duly authorized representative of said party.


IN WITNESS WHEREOF, General Electric Company has caused these presents to be executed and its seal to be affixed by its duly authorized official pursuant to lawful authority, and the Seaboard Coast Line Railroad Company has caused these presents to be executed and its seal to be affixed by its duly authorized officers pursuant to lawful authority, all as of the day, month and year first above written.

ATTEST:


Attesting Secretary

GENERAL ELECTRIC COMPANY

By


C.S. Bressler, Manager-Marketing
Locomotive Department

ATTEST:


Assistant Secretary


SEABOARD COAST LINE RAILROAD
COMPANY

By


Leonard G. Anderson, Treasurer

STATE OF PENNSYLVANIA)
) ss.
COUNTY OF ERIE)

On this *18th* day of January, 1972, before me personally appeared C. S. BRESSLER, to me personally known, who, being by me duly sworn, says that he is Manager-Marketing of the Locomotive Department of GENERAL ELECTRIC COMPANY, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.


Notary Public

My Commission expires: *12/9/72*

STATE OF VIRGINIA)
) ss.
CITY OF RICHMOND)

On this *20th* day of January, 1972, before me personally appeared LEONARD G. ANDERSON, to me known, who being by me duly sworn, says that he is the Treasurer of SEABOARD COAST LINE RAILROAD COMPANY, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.


Notary Public

My Commission expires:

CERTIFICATE OF ACCEPTANCE
UNDER TEMPORARY RAILROAD EQUIPMENT LEASE

TO: GENERAL ELECTRIC COMPANY

I, duly appointed inspector and authorized representative of Seaboard Coast Line Railroad Company (hereinafter called the "Lessee"), for the purposes of the Temporary Railroad Equipment Lease dated as of January 15, 1972, between you, as Lessor, and the Lessee, do hereby certify that I have inspected, received, approved and accepted delivery on behalf of the Lessee and under said Temporary Railroad Equipment Lease, of the following units of railroad equipment:

Type of Equipment: U-36-B Diesel Electric 3600 H. P.
 Locomotive

Place Accepted: Ridgeway, N. C.

Date Accepted:

Quantity:

Road Numbers:

I do further certify that the foregoing locomotives are in good order and condition and conform to the specifications applicable thereto, and to all applicable Interstate Commerce Commission requirements and specifications and to all standards recommended by the Association of American Railroads.

Inspector and Authorized Representative
of Seaboard Coast Line Railroad Company